(c) and (d) Shipbuilding Subsidy of 30% of the price of ocean going vessels is payable subject to the condition that the lowest bid is matched by the Central Public Sector Shipyard in open/global tender. In case of export orders, subsidy is payable for negotiated orders as well. Subsidy is released in stages upon occurrence of milestone events during construction of the ship. Shipbuilding subsidy enables the Central Public Sector Shipyards to become globally competitive. Interest Differential Subsidy is given to the Indian Shipping Companies as an incentive to place orders on Central Public Sector Shipyards.

Privatisation of Ports

4176. SHRI N.K. PREMACHANDRAN: Will the Minister of SHIPPING be pleased to state:

(a)whether Government have any proposal under consideration to privatise the ports in the country;

(b) if so, the details thereof;

(c) whether Government have initiated the steps for external borrowing for strenghening the Shipping industry;

(d) whether the Shipping companies are permitted to mobilise funds from internal resources for the infrastructural development of Shipping Industry; and

(e) if so. the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI SHRI PAD YESSO NAIK): (a) and (b) No, Sir. However, private sector participation in port sector has been allowed in the following areas:

(i) Leasing out existing assets of the port.

(ii) Construction/creation of additional assets, such as:

(a) Construction and operation of container terminals.

(b) Construction and operation of bulk, break bulk, multipurpose and specialised cargo berths.

(c) Warehousing. Container Freight Stations, storage facilities and tank farms.

(d) Cranage/Handling Equipment.

(e) Selling up of captive power plants.

(f) Dr\ docking and ship repair facilities.

(iii) Leasing of equipment for port handling and leasing of floating crafts from the private sector.

(iv) Pilotage

(v) (v} Captive facilities for port based industries.

(c) to (e) The Shipping Industry has already been permitted to raise external commercial borrowing for acquisition of ships. Shipping companies can mobilise funds from their internal resources. The Shipping Industry has raised the following external commercial borrowing during the last 3 years:—

Year	(US $ in Million)
1998-1999	36.48
1999-2000	27.16
2000-2001	144.43

Introducing Ferry Service in Coastal Area

4177. SHRIMATI S.G. INDIRA: Will the Minister of SHIPPING be pleased
to slate:

(a) whether it is proposed to introduce ferry service between Tuticorin-Trivandrum-Rameshwaram-Kanyakumari with a view to promoting quick and cheap transport in the coastal area;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI SHR1PAD YESSO NAIK): (a) No, Sir.

(b) Does not arise.

(c) There is at present no demand for introduction of Ferry services by the State Government of Tamil Nadu and Government of Kerala. Also, it is a state subject.

Educational Loan Scheme for Backward Castes in A.P.

4178. DR. DASARI NARAYANA RAO: Will the Minister of SOCIAL JUSTICE AND EMPOWERMENT be pleased to state:

(a) whether Government are implementing Educational Loan Scheme for the Backward Castes in Andhra Pradesh through the National Backward Classes Finance and Development Corporation (NBCFDC);